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TO RUEHC/SECSTATE WASHDC PRIORITY 9865
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY
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RUEHAK/AMEMBASSY ANKARA PRIORITY 3095
RUEHBJ/AMEMBASSY BEIJING PRIORITY 0910
RUEHKO/AMEMBASSY TOKYO PRIORITY 0784
RUEHIT/AMCONSUL ISTANBUL PRIORITY 1360
RUEHBS/USEU BRUSSELS PRIORITY
RHMFIUU/CDR USCENTCOM MACDILL AFB FL PRIORITY
RUEHNO/USMISSION USNATO PRIORITY 1322
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RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
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UNCLAS SECTION 01 OF 02 ASHGABAT 001345

SIPDIS

SENSITIVE
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STATE FOR SCA/CEN

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [ECON](#) [ETRD](#) [TU](#) [TX](#)

SUBJECT: TURKISH PRESIDENT GUL WOOS TURKMEN LEADERSHIP ON
FURTHER ECONOMIC COOPERATION

REF: ANKARA 2921

¶1. (U) Sensitive but unclassified. Not for public internet.

¶2. (SBU) SUMMARY: The government of Turkmenistan hosted a highly-politicized December 6-8 official visit by Turkish President Abdullah Gul, who is the first Turkish president to visit here in seven years. President Gul arrived with his ministers of State, Energy and Trade, and a cadre of Turkish business representatives. He met with President Berdimuhamedov, participated in a bilateral business forum, and inaugurated a new power plant in Dashoguz. The primary focus of the visit was to strengthen and expand the economic relationship, with energy as a centerpiece, but overall, it was obvious that each side had something to sell, and took the opportunity to advertise. END SUMMARY.

¶3. (U) On December 6, the two presidents met alone. Local and Turkish press indicated that energy was a dominant theme. Gul reportedly proposed the construction of a 16 bcm per year pipeline from Turkmenistan through Iran to Turkey (reftel), as well as a joint venture to engage in oil and gas field operations here. Based on a suggestion made by Berdimuhamedov a while back, the two presidents also signed an intergovernmental agreement on creating a joint economic commission to further enhance the business partnership between the countries. During the visit, the Turkmen government also took the opportunity to pressure Turkish business leaders to "take an active part" in making Berdimuhamedov's Avaza Caspian free tourism zone project a reality.

¶4. (SBU) During a press conference, Berdimuhamedov noted with satisfaction that trade volume between the two countries was a respectable 1.12 billion dollars in the first ten months of 2007. He also mentioned that about one third of the foreign companies registered to operate in Turkmenistan are Turkish, numbering more than 400. (NOTE: Many Turkish companies have been operating here for some time and have learned how to manage--and probably even to benefit from--the

corruption and bureaucratic complexities of doing business here. END NOTE.) The same day, Gul spotlighted one Turkish construction company, ERKU, when he officiated at the opening ceremony of the new Turkish diplomatic staff residence. According to local reports, the company doubled its work force at the former hotel site in Berzengi in order to finish the work before Gul's visit.

15. (U) On December 7, the two presidents traveled to Dashoguz and cut the ribbon on a new 120 million dollar power plant, which was built by Chalik Energy Group and equipped with two General Electric gas turbine generators. The plant is expected to produce 1.5 million kilowatt hours of energy per year, the majority of which should be available for export, according to local press. At the request of the Turkish president, they also visited Konye Urgench, a UNESCO world heritage site, and said prayers together in the Najmeddin Kubra Mausoleum holy site. They then sat down together for a sacrificial meal. President Gul mentioned that the government of Turkey would soon build a mosque in Dashoguz, similar to the impressive Blue Mosque replica the Turkish government built in Ashgabat years before.

16. (SBU) COMMENT: It is no secret that the Turkish business community is a force to be reckoned with here, given its dominant role in construction projects all over the country, and the Turkish government has been angling for some time for this visit. During Gul's stay, the government of Turkmenistan showed that it wants to expand the role of Turkish commercial activity, but what is less clear is whether government entities enjoy a partnership that advances national socio-economic development, or one that benefits a very few in the government hierarchy. Given Turkey's

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surprise proposal to build a big new mosque in Dashoguz, Turkmenistan appears, for now, to be getting what it wants from the relationship. Likewise, significant Turkish commitment to projects in Avaza, in which other international businesses are hesitating to participate, would be a sign that Turkey wants to continue this mutually beneficial economic relationship on a rising scale. END COMMENT.

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